

Article - Local Government

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§19–212.

(a) A governmental entity authorized to issue bonds may issue and sell bond anticipation notes if, in the ordinance, resolution, or other form of official action that authorizes the notes, the governmental entity covenants to:

(1) pay from the proceeds of the bonds in anticipation of the sale of which the notes are issued:

(i) the principal of the notes; and

(ii) to the extent that the interest on the notes is not paid from the proceeds of the sale of the notes, the interest on the notes; and

(2) issue the bonds as soon as there is no longer a reason for deferring their issuance.

(b) A governmental entity may issue and sell grant anticipation notes in anticipation of the receipt of a grant from the United States, the State, or any of their units if, in the ordinance, resolution, or other form of official action that authorizes the notes, the governmental entity covenants to pay from the proceeds of the grant in anticipation of the receipt of which the notes are issued:

(1) the principal of the notes; and

(2) the interest on the notes.

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